

**DOWNTOWN INDUSTRIAL DISTRICT
BUSINESS IMPROVEMENT DISTRICT
BOARD OF DIRECTORS MEETING
MAY 4, 2012
MINUTES**

BOARD MEMBERS

Present: **James Barich, Howard Klein, Matt Klein, Alexander Palermo, Larry Rauch, Mark Shinbane, and Paul Vert.**

Absent: **Ernie Doizaki, Richard Gardner, and Bill Shinbane.**

STAFF: **Herlinda Chico, Raquel King, Estela Lopez, and George Peterman.**

CONSULTANTS: **Ken Coelho and Don Steier.**

GUESTS: **Jose Gardea (CD1), LAPD Senior Lead Officer Mark Hyland, Don Kanner (City Seafoods), Paul Mckowski (City Clerk's Office), LAPD Lt. Shannon Paulsen and Senior Lead Officer Jack Richter, and Brian Tompkins (360 Solutions Pest Management).**

I. CALL TO ORDER

Rauch called the meeting to order with a quorum at 8:34am.

Introductions were made around the table.

II. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS

Jose Gardea, Chief of Staff for Council District 1, introduced himself to the Board and informed them that he will be running for the CD1 council seat. Gardea stated that he is a fan of BIDs simply because they work and create community empowerment.

III. APPROVAL OF MINUTES

H. Klein made a motion to approve the January 31, 2012 minutes, and M. Shinbane seconded. The Board unanimously approved.

IV. BROWN ACT TRAINING

Paul Mckowski from the City Clerk's office distributed the Brown Act Best Practices for BID Boards summary. Mckowski provided a brief overview of the Act, and informed the Board that the City Clerk's office is pleased with how the Downtown Industrial District BID is conducting its business and meetings.

V. WEINGART CENTER: 360 SOLUTIONS PEST MANAGEMENT

Brian Tompkins of 360 Solutions informed the Board that the Weingart Center's goal is to create enterprises that create jobs for people with barriers to employments. The first example is 360 Solutions, a pest management enterprise. Tompkins is working to increase its customer base. Tompkins distributed collateral information to the Board, and informed the Board that all staff members are licensed by the State of California.

VI. FINANCE

Coelho reviewed the March financial report with the Board:

- a. Received \$918,257 assessment revenue during the first quarter. \$14,526 penalty income; and \$1,241 interest income. \$934,028 total receipts.**
- b. \$391,953 spent in the first quarter.**
- c. Over budget in March: Accrued security contract and accounting fees resulted in a timing difference; as well as the payment of the 2% City fee.**
- d. As of March 31st, balance of \$430,282 in the bank**
- e. Projecting to end the year at about even; tracking to spend all of the revenue on services.**
- f. \$20,000 has been budgeted in reserve.**

2013 Assessment Review:

Rauch announced that the Finance Committee met to review/discuss the financial needs of the organization for the subsequent year. After a brief discussion, the Committee

unanimously voted to recommend a 2% increase to the assessment.

Shinbane made a motion to adopt the 2% increase to the assessment, and M. Klein seconded. The Board unanimously approved the 2% increase.

Annual Reviewed Financial Statements:

Coelho informed the Board that the financial statements are reviewed by Gleicher & Tilley, an independent accounting firm. A review differs from an audit based on no opinion letter, no tracing, and no 3rd party confirmations. However, both have analytics performed, management is interviewed, and statements are reviewed.

Coelho then reviewed the statements page-by-page with the Board.

VII. OPERATIONS

Peterman reported that the BID public safety officers handled 2,160 incidents in January; 1,864 February in February; and 2,089 in March. Blocking the sidewalk accounted for 18% of the incidents during the quarter.

During the 1st quarter 2012, the maintenance team collected 13,700 bags of trash; removed 139 instances of graffiti; removed 310 bulky items; and weeded 149 areas in the District.

Skid Row Walk:

Lopez reported that City Attorney Carmen Trutanich joined the May walk. The City Attorney's support is unwavering; he vowed to address the issues on Skid Row.

Lopez informed the Board that the City Attorney's office is working to revisit the injunction at the Federal level. The injunction was written too broadly, according to the City Attorney.

Lopez thanked Palermo, Kanner, Rauch, and Shinbane for joining her and a dozen other property/business owners, for a trip to City Hall to express their frustrations over the conditions on Skid Row to the Mayor's office and Council District 14.

Rauch added that the group was passionate and articulate, and hopefully effective. Businesses are hurting.

LAPD Update:

Newton Area Senior Lead Officer Mark Hyland reported that violent crimes have and continue to drop in Newton; however, property crimes have increased. Burglary from motor vehicle (BFMV) is the biggest problem city-wide. Hyland stated that people who leave items visible in their cars, become victims of BFMV's. Officer Hyland offered to educate employees and residents in the area.

Central Area Senior Lead Officer Jack Richter informed the Board that once per week, he travels the Skid Row area with the CCEA maintenance truck asking people to dump items they deem trash. The average weekly bag count is 100 bags.

Officer Richter informed the Board that Central Area Captain Horace Frank is proactive about the issues in Skid Row. Richter stated that a big issue in the area is lighting; it needs to be improved. The population at night is very different from the day, and narcotic activity has increased. The gang unit is working vigilantly to combat the gang/narcotic activity.

Lt. Paulson added that Central Area is deploying 30 additional police officers to work Skid Row.

VIII. EXECUTIVE DIRECTOR'S REPORT

BID Renewal:

Lopez reported that DID expire 12/31/14; however, because of the budget reductions at the City, departments are strained from resources. The average review/approval time for the management plan is now five months. Lopez stated that it would

be prudent to begin renewal early. Lopez reviewed the proposal from renewal consultant Urban Place Consulting, and asked the Board to approve starting the renewal process now.

H. Klein made a motion to accept the Urban Place Consulting proposal and begin renewal now, and M. Shinbane seconded. The Board unanimously approved.

Donation Policy:

Lopez stated that the donation policy was drafted to create specific guidelines by which a BID may donate to people or organizations that make requests. The management district plan dictates how the BID spends its assessment revenue, and expenditures not covered in the plan are not allowed. The donation policy explains the BID's position on donations. Donations should come from individual Board members rather than the BID. The staff is asking for adoption of the new policy.

H. Klein made a motion to adopt the donation policy, and M. Klein seconded. The Board unanimously approved.

IX. NEW BUSINESS

Vert announced that after working 24 years at Young's Market, he has retired. Vert introduced his replacement at Young's and recommended Young's VP of Government Affairs, Jim Barich, to succeed him.

Rauch thanked Vert for his leadership as the previous Board Chairman, and for his great work in the community.

X. ADJOURNMENT- 9:53am